

# INFORMATION LETTER

Not for  
Publication

NATIONAL CANNERS ASSOCIATION

For Members  
Only

No. 815

Washington, D. C.

November 30, 1940

## FOOD-PRICE INVESTIGATION BEGINS

### Justice Department Will Study Processors and Distributors of Food Products

The Department of Justice announced November 25 the beginning of a nation-wide investigation of "restraints which raise food prices to the consumer and reduce the prices received by the farmer for his food products." The investigation will deal with processors of food, commission merchants, organized produce exchanges and auctions, truckers, and wholesale and retail distributors.

According to the press announcement of the investigation, "the major items in a family food budget will be investigated at every stage from the farmer to the ultimate consumer. Particular attention will be given to bread, milk, meat, fish, cheese, canned fruits and vegetables, and fresh fruits and vegetables. The purpose of the investigation is to eliminate violations of the Antitrust Laws and thereby to reduce the expenditures of American families for food and increase the incomes of American farmers."

This food investigation is the second nation-wide investigation by the Department of Justice. About fifteen months ago the Division began an investigation of restraints upon construction and construction materials in an effort to reduce the cost of housing. This investigation has resulted thus far in 99 indictments against 1,538 defendants and in 22 civil suits to enjoin unlawful acts. The Department announced that the food industry investigation will proceed more slowly than the housing investigation, as most of the Antitrust Division's staff is still occupied with cases in progress in other industries.

However, investigations of eighteen situations in the food industries already have begun, the Department stated. A summary of the investigations in progress was released by the Department with the statement that "since all of them were undertaken recently, the Division does not yet know to what extent the truth of the charges will be established."

The summary of pending investigations listed the following: bread, meat, poultry, fish, milk, fruits and vegetables, cheese, ice, retail grocers, and terminal markets.

With respect to the fish and fruits and vegetables cases, which are of interest to canners, the press announcement made the following statements:

**Fish.**—"In two fish cases complainants charge that associations of fishing boat owners and associations of fish canners make annual agreements to exclude independent fishermen from the market and to fix the prices of two varieties of fish throughout the United States.

"In a third fish case the charge is that the price of a variety of fish is fixed by the collusive action of a few brokers who have become the handlers of substantially the entire catch."

**Fruits and Vegetables.**—"In one fruit case it is alleged that a canners' association has agreed to fix the buying price

paid to growers for an important variety of fruit and that, although the pretext for this agreement is to establish a higher price than last year, the actual intent and effect are to limit the price increase to less than that which would have occurred in a free market.

"In another fruit investigation the complaints allege that under the pretext of conformity with a State law designed to protect growers, a canners' association, which includes certain canners who are also large growers, has manipulated its buying price for a variety of fruit through the instrumentality of these canner-growers and has fixed the selling price of the canned fruit without any sanction from the applicable law. It is charged that by such procedures the growers have been forced at times to accept less for their fruit than before the plan was inaugurated, whereas the profits of the canners have been substantially increased.

"In a regional investigation involving an important vegetable, the complaints allege that the principal commission merchants and distributors through whom this vegetable

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## DR. HERBERT A. BAKER DIES

### Served American Can Company for 34 Years— Elected President in 1936

Funeral services for Dr. Herbert A. Baker, president of the American Can Company since 1936, who died Monday, November 25, at the New York Hospital, were held Wednesday afternoon at the First Presbyterian Church at New Rochelle, N. Y. He was born at Oshawa, Ontario, on August 21, 1881, and was 59 years old at the time of his death. He is survived by his wife, the former Ethel Leona Andem, and two daughters, Misses Janet Hudson and Catherine Eleanor. His residence was 43 Axtel Drive, Scarsdale, New York.

Dr. Baker had been associated with the American Can Company and its subsidiaries since 1906, shortly after he was graduated from the University of Toronto. His first services were with the Chemical Reduction Company of Niagara Falls and the Paulsboro Detinning Company of New Jersey. He went to New York in 1910 with the parent company and in 1914 was made chief chemist. During the World War he served as chairman of the Tin Plate Apportionment Committee, a division of the United States Food Administration in Washington. In the spring of 1918 he became district sales manager (packers can sales) in Chicago, in which position he remained until he was elected vice president in charge of sales in 1932. Following four years in this position, he was elected president of the company.

For his conspicuous scientific contribution to the canning industry through the application of improved laboratory methods in the preservation of foods, as well as for his business acumen and leadership, Dr. Baker was awarded the honorary degree of Doctor of Science by Colgate Uni-

versity in 1933. He was the first secretary of the Scientific Research Committee of the National Canners Association and served continuously on that Committee until the time of his death.

Dr. Baker's entire professional and business career was in the service of the can-manufacturing and canning industries. His steady advancement from a subordinate position in a subsidiary company to the presidency of the American Can Company was achieved through outstanding ability as a scientist combined with unusual qualities as a leader and an executive. He was a man of simple unaffected tastes who could inspire the loyalty and best efforts of every group with which he was associated. Canners throughout the entire industry respected Dr. Baker for his outstanding ability, and among all who knew him personally, this respect was coupled with the highest regard for his lovable personal character.

### FOOD-PRICE INVESTIGATION BEGINS

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moves to market have agreed to manipulate the buying price to the detriment of the grower."

In the press announcement, the Department also stated that "the occasion for the food investigation is recent evidence that the food industries function badly for both consumers and farmers. At one end of the food industries lies wholesale malnutrition among consumers due to their inability to afford an adequate diet. At the other end lies a population of producing farmers who must sell an abundance of food at distress prices so low as to threaten them with bankruptcy. Between are industrial groups, many of which are so close knit and powerful that they have made satisfactory profits throughout the depression. A rough indication of the relative strength of such groups is the fact that processors and distributors now receive about fifty-nine or sixty cents of the average dollar which the consumer spends for food, whereas between 1913 and 1920 they received only from forty to forty-eight cents of that dollar. The prevalence and importance of this situation is attested by many complaints from consumers and farmers as well as from the less powerful members of the processing and distributing industries."

### Senate Passes Walter-Logan Bill

The Walter-Logan bill for the establishment of a uniform procedure in the issuance of government rules, regulations, and orders, a uniform system of administrative appeals, and a uniform method of court review passed the Senate on Tuesday by a vote of 27 to 25. This action followed the adoption by the Senate of a number of modifying amendments that must be approved by the House before the bill can be sent to the President.

These amendments were agreed to by the House Judiciary Committee on Wednesday but whether they will be approved by the House depends on the ability of the proponents of the measure to get enough of the absent members present to insure a quorum. The provisions of the bill were outlined in detail in INFORMATION LETTER of June 24, 1939, page 5893.

### Food-Price Bulletin for Consumers Initiated

A price information program, designed to assist consumers in meeting some of their food purchasing problems and help them contribute to the defense program by buying in ways that will tend to stabilize prices, has been initiated by Miss Harriet Elliott, Commissioner in charge of the Consumer Division of the National Defense Advisory Commission. A bulletin, *Consumer Prices*, the first issue of which was released last week, will be distributed twice monthly to State and local defense councils and to civic, service, labor, and consumer organizations.

In order to make current information available to household buyers, Commissioner Elliott has requested the United States Bureau of Labor Statistics to collect prices of certain foods in large cities every two weeks. This first issue of the bulletin is based upon average retail prices of 54 foods in 51 cities, collected monthly. Hereafter, food price information will be available at semi-monthly intervals. *Consumer Prices* will be based upon these and other reports issued by the Bureau of Labor Statistics and other agencies.

The price information is issued in the form of averages. It does not describe prices in a particular locality, but represents a general nation-wide picture of prices in the large cities of the country, and provides a basis for comparing current prices with those of previous weeks and other years.

The first issue includes reports on the October price situation in milk, certain meats, potatoes, eggs, flour, and bread. Also reported is the monthly average for "all foods" which is based upon the prices of foods commonly purchased by families of moderate income.

### Local Food-Market News Broadcasts Planned by Miss Elliott

Last week, Miss Elliott also made public her plans for a program to make food-market information available to household buyers through market news broadcasts in local communities. She also stated that she was studying methods of disseminating similar information through newspapers. The National Association of Broadcasters already has assured Miss Elliott of its cooperation.

In a bulletin outlining the news broadcasts, the Consumer Protection Division recommends regular local broadcasts that will tell housewives which foods are plentiful and are good buys. The information would not deal with specific brands or stores, but with over-all food supplies available. It is recommended by the Division that State and local defense councils and civic organizations enlist the cooperation of radio stations and arrange with municipal departments of markets, State Departments of Agriculture, regional offices of the Federal Agricultural Marketing Service, or other appropriate governmental agencies to provide the service.

### New Recipes for Informal Entertaining

The new recipe leaflet of the Service Kitchen, "Entertaining from 4 to 25 Guests," contains recipes prepared by Katherine Smith in answer to requests for recipes to be used in informal entertaining. The recipes are designed not only for the forthcoming Christmas holiday season, but for throughout the year.

Copies of the booklet will be mailed to members of the Association this week, and additional copies are available upon request.

# Railroads' Land Grant Claim Releases Approved

Approval of a land grant claim release submitted by the Chicago, Burlington & Quincy Railroad Company, first of the Nation's larger railroad systems to receive such authorization, under which it may take advantage of increased rates for government freight and passenger business provided by the Transportation Act of 1940, was announced November 25 by Secretary of the Interior Harold L. Ickes. Approval also was given to releases for the Nashville, Chattanooga and St. Louis Railway; for the Chicago and North Western Railway Company, and for the Chicago, St. Paul, Minneapolis, and Omaha Railway Company, component parts of the Chicago and North Western system.

The release submitted by the C. B. & Q. involves land grant territory in the Middle West extending from Hannibal to St. Joseph, Mo., Burlington to East Plattsmouth in Iowa, and Plattsmouth to Kearney Junction, Nebr. The Chicago, Burlington and Quincy system covers 11,000 miles in 14 States, serving such points as Chicago; Minneapolis; Denver; Houston, Tex., and Billings, Mont.

The approval of the land grant claim release submitted by the Nashville, Chattanooga and St. Louis Railway, covers territory between Guntersville and Gadsden, Alabama. This road now serves 1,110 miles of territory between Atlanta, Georgia; Memphis, Tennessee; Gadsden, Alabama, and Paducah, Kentucky.

The release of the Chicago and North Western covers land grant territory in Wisconsin extending from Fond du Lac north to Green Bay and the Menominee River, and territory in Iowa extending from Lyons City west to the Missouri River. Land grant territory covered in the release of the C., St. P., M., & O. extends from Tomah through Lake St. Croix to Superior and Bayfield, all in Wisconsin. The Chicago and North Western system comprises 10,009.46 miles of trackage extending through more than a dozen States in the Middle West.

Under the Transportation Act of 1940, railroads originally constructed through the aid of public land grants may be authorized to discontinue their present schedule of reduced rates for government business in certain cases pertaining to the land grant areas and collect full applicable commercial rates after a formal release of all claims under such land grants is submitted to and approved by the Secretary of the Interior.

Both roads that have land grant claims at the present time and those whose earlier grants have been settled and closed, must file formal release of such claims with the Secretary of the Interior through the General Land Office for approval before steps can be taken to put the increased rates into effect.

# Japanese to Form East Indies Fishing Company

The Japanese press has announced the early formation in the Netherlands East Indies of a Japanese-sponsored Deep Sea Bonito and Tuna Fishing Company, to be capitalized at 35,000,000 yen, to build eight fishery bases in the Netherlands Indies and ten more in Japan's South Sea mandated islands, according to the American consulate general at Tokyo. Of the total 755 fishing-fleet units, 235 will be based in the Netherlands Indies, with each base having from 30 to 40 ships under its control.

# Fruit and Vegetable Market Competition

## Carlot Shipments as Reported to the Agricultural Marketing Service by Common Carriers

Carlot shipments of snap and lima beans and of fresh fruits other than citrus were the only commodities that showed increases during the week ending November 23, 1940, as compared with the corresponding week of 1939.

The following table, compiled from statistics of the Agricultural Marketing Service gives detailed comparisons of carlot shipments on certain dates of selected vegetables and fruits:

VEGETABLES	Week ending—		Season total to—	
	Nov. 23, 1939	Nov. 23, 1940	Nov. 16, 1939	Nov. 23, 1940
Beans, snap and lima.....	138	226	260	7,689
Tomatoes.....	299	172	266	27,958
Green peas.....	126	48	74	7,366
Spinach.....	98	56	39	6,631
Others:				
Domestic, competing directly.....	1,370	1,351	1,122	49,069
Imports competing indirectly.....	103	109	124	1,058
FRUITS				
Citrus, domestic.....	4,000	3,858	3,078	20,261
Others, domestic.....	495	630	1,058	46,848

# Stocks and Shipments of Green and Wax Beans

Total supply of green and wax beans for the 1940-41 season amounted to about the same as for the 1939-40 season, according to figures compiled by the Association's Division of Statistics. The 1940-41 supply of green beans totalled 8,500,690 actual cases, compared with 8,477,468 cases for the 1939-40 season. The 1940-41 supply of wax beans was 1,457,538 cases, compared with 1,592,866 cases the previous season.

Total stocks on November 1, 1940, were: green beans 4,866,508 cases; wax beans 820,797 cases.

The following table shows figures by regions on the 1939 and 1940 packs, November 1 stocks, and shipments July 1 to November 1, 1940, for both green and wax beans:

	Pack		Stocks		Shipments	
	1939	1940	Nov. 1, 1940	Nov. 1, 1940	July 1 to Nov. 1, 1940	July 1 to Nov. 1, 1940
GREEN BEANS:						
Northeast.....	829,213	766,698	543,222	327,463		
Mid-Atlantic.....	2,173,249	1,921,984	1,004,855	1,001,923		
Mid-West.....	1,285,348	1,233,834	784,248	801,061		
Western.....	1,516,384	2,638,201	1,765,588	1,049,355		
Southern.....	1,141,776	1,402,295	768,595	663,480		
Total green.....	6,945,970	7,963,012	4,866,508	3,634,182		
WAX BEANS:						
Northeast.....	380,167	493,316	336,551	209,318		
Mid-Atlantic.....	153,242	158,932	94,362	88,305		
Mid-West.....	470,385	474,423	324,262	288,672		
Western.....	86,660	95,619	65,622	46,881		
Southern.....	19,419	3,475		3,475		
Total wax.....	1,109,873	1,225,765	820,797	636,741		

# Crabmeat Production Cost Investigation Postponed

The United States Tariff Commission has announced that the hearing set for December 11 in Washington, D. C., on its investigation of the cost of production of crab meat, crab paste, and crab sauce, has been postponed until January 8, 1941. The hearing in Seattle, Washington, will be held on December 4, as scheduled.

## EXPORTS AND IMPORTS OF CANNED FOODS

Exports of condensed milk during October, 1940, were over 5,000,000 pounds larger than exports during October, 1939, according to Department of Commerce statistics. Exports this October were 5,386,770 pounds, compared with 364,436 pounds during October, 1939. Exports of evaporated milk were almost 1,000,000 pounds larger. Other increases were noted in miscellaneous canned fish, and the canned juices. The biggest de-

crease was seen in the exports of canned fruits, which totalled only 2,153,138 pounds in October of this year, compared with 65,387,668 pounds in October, 1939.

The following table, compiled from figures of the Department of Commerce, shows details of exports and imports of canned foods during October, 1939 and 1940, and during the first ten months of these two years:

Exports	October, 1939		October, 1940		Jan.-Oct., 1939		Jan.-Oct., 1940	
	Pounds	Value	Pounds	Value	Pounds	Value	Pounds	Value
Meats, total.....	963,023	\$245,369	580,334	\$134,884	12,079,036	\$3,725,754	9,615,822	\$2,517,669
Beef, corned, etc.....	45,530	8,783	20,239	3,764	303,641	68,772	295,148	61,782
Other beef.....	41,075	15,338	10,143	3,462	983,620	376,977	385,796	119,403
Pork.....	392,253	123,577	363,618	84,117	7,560,168	2,537,662	6,156,088	1,710,221
Sausage.....	207,065	62,106	97,979	28,109	1,545,553	433,731	1,071,099	294,387
Other meat.....	276,500	35,563	88,355	15,432	1,686,054	308,612	1,707,091	331,786
Vegetables, total.....	8,256,524	642,814	4,524,355	358,608	42,572,870	3,631,064	71,839,540	4,280,915
Asparagus.....	1,118,787	159,311	315,233	51,641	11,180,014	1,514,998	4,038,608	619,521
Beans, baked and with pork.....	324,041	18,371	328,037	12,864	4,883,006	202,227	30,684,818	1,259,046
Corn.....	322,147	24,997	204,041	13,585	2,520,695	176,046	1,425,090	98,706
Peas.....	734,060	53,274	442,150	34,608	4,785,062	326,314	3,445,716	269,337
Soup.....	2,751,904	176,917	271,569	24,544	6,399,314	517,454	6,481,805	480,477
Tomatoes.....	664,179	32,923	350,472	20,092	1,880,779	103,389	10,464,694	489,739
Tomato paste and puree.....	1,020,300	78,807	1,716,265	128,633	2,779,150	180,818	8,424,071	517,815
Tomato juice.....	395,313	24,354	222,369	15,831	3,052,467	177,920	1,694,199	108,599
Other vegetables.....	925,793	73,800	665,250	56,810	5,074,383	431,808	5,180,539	437,655
Condensed milk.....	364,436	42,425	5,386,770	672,338	2,002,969	221,593	19,744,362	2,200,983
Evaporated milk.....	3,714,862	248,203	4,571,865	347,501	23,006,339	1,503,118	108,279,310	6,925,342
Fish:								
Salmon.....	5,829,353	1,001,222	3,497,565	538,345	35,249,297	5,541,761	52,359,296	9,412,028
Sardines.....	10,348,614	718,284	4,948,349	367,738	43,296,919	2,923,814	54,229,727	3,937,331
Other fish.....	211,614	22,528	810,831	56,859	1,573,277	145,537	4,407,376	377,714
Shellfish—								
Shrimp.....	778,768	128,585	364,540	43,784	5,264,616	833,024	1,066,765	295,860
Other shellfish.....	171,930	22,977	71,974	12,373	843,638	128,082	641,491	106,611
Fruits, total.....	65,387,668	4,674,365	2,153,138	183,925	323,832,202	22,309,617	121,685,180	8,974,098
Grapefruit.....	2,639,950	149,632	42,360	2,385	46,643,964	2,521,363	39,778,918	2,567,591
Loganberries.....	295,919	21,857	1,299	150	3,847,691	299,529	350,042	27,793
Other berries.....	154,214	16,657	57,627	6,652	1,035,826	98,002	359,577	46,183
Apples and sauce.....	5,572,927	226,927	43,961	2,710	12,938,123	546,318	2,222,676	101,648
Apricots.....	7,306,052	490,133	65,163	6,806	35,960,000	2,365,566	5,739,751	416,967
Cherries.....	371,492	48,995	131,858	15,972	3,122,694	292,259	746,403	80,817
Prunes.....	242,024	19,078	43,384	3,909	1,101,234	79,620	5,705,315	337,301
Peaches.....	18,591,979	1,162,492	530,641	36,508	83,185,108	5,100,066	28,262,643	1,869,184
Pears.....	18,414,339	1,350,363	444,247	39,856	67,389,916	4,666,341	14,947,831	1,226,680
Pineapple.....	1,561,652	142,472	233,769	14,626	21,642,606	1,660,127	6,338,823	520,870
Fruit salad and cocktail.....	9,129,791	954,407	385,419	39,943	42,939,661	4,336,768	15,093,595	1,594,953
Other fruits.....	1,106,720	91,352	173,410	14,318	4,025,379	349,658	2,130,606	184,111
Fruit juices (in gallons):								
Pineapple.....	65,376	36,352	122,766	51,682	730,056	399,241	677,117	326,510
Grapefruit.....	85,798	21,595	16,165	6,810	2,110,258	673,614	1,881,804	637,849
Orange.....	23,892	19,053	37,782	32,957	444,363	318,301	356,846	218,124
Other fruit juices.....	50,926	47,739	72,223	51,058	355,022	323,521	634,809	427,970
IMPORTS								
Meat:								
Beef.....	8,425,038	838,666	3,405,108	357,704	78,072,584	7,813,996	54,206,753	6,122,146
Other meats.....	11,389	3,551	8,506	2,502	161,733	44,156	60,242	18,404
Milk: condensed and evaporated.....	3,054	204	280	32	162,642	9,348	3,174	311
Fish:								
Packed in oil—								
Sardines.....	5,107,891	758,639	990,584	170,845	27,777,468	4,060,701	11,498,603	1,826,330
Anchovies.....	211,624	69,876	137,955	43,525	1,908,821	694,950	2,623,252	852,363
Tuna.....	926,480	161,921	468,653	82,542	8,615,852	1,399,209	6,574,610	1,068,080
Other fish in oil.....	49,060	10,574	18,924	4,266	489,405	123,033	449,571	115,317
Other fish not in oil.....	1,752,782	162,120	748,500	83,618	12,363,984	1,139,909	5,808,813	644,896
Caviar and other roe.....	20,881	24,202	34,709	17,301	154,443	132,077	168,404	111,550
Shellfish—								
Crab meat and sauce.....	1,689,238	568,564	355,264	106,462	9,922,956	3,371,057	11,642,051	3,529,615
Clams and oysters.....	81,542	20,162	38,436	7,384	711,710	163,455	507,007	107,516
Lobsters.....	76,556	30,533	202,890	90,089	762,386	345,723	1,454,281	546,736
Other shellfish.....	472,340	54,978	605,722	69,483	11,450,139	926,881	11,599,379	931,366
Vegetables:								
Peas.....	25,967	2,832	2,087	94	1,069,566	116,885	129,823	8,425
Pimientos.....	3,750	500	1,090	88	142,226	18,230	84,352	9,705
Mushrooms.....	44,436	8,794	13,360	4,188	688,508	138,501	393,945	94,246
Tomatoes.....	6,851,830	284,721	98,771	5,312	47,772,815	1,884,062	17,809,200	849,527
Tomato paste and sauce.....	853,111	66,933	4,610	547	5,410,745	415,405	3,710,134	330,194
Other vegetables.....			865	60			181,366	10,933
Fruit:								
Pineapple, dutiable.....	2,534,107	118,966	9,190,268	389,126	23,000,102	1,050,831	25,364,040	1,204,831
Pineapple, free (Philippines).....	3,104,420	75,953	9,165,499	573,670	44,632,393	1,671,567	42,239,193	2,329,373
Mandarin oranges.....			184,095	13,180				

### Stocks of Canned Tomatoes on November 1

Stocks of tomatoes in canners' hands on November 1, excluding California, amounted to 13,300,000 actual cases, compared with 11,690,000 cases on November 1, 1939, it is estimated by the Association's Division of Statistics from reports received from about 70 per cent of the canners packing tomatoes this year, together with estimates for those not reporting their packs. Stocks on November 1, 1940, including California, amounted to 16,393,000 cases.

The following table shows by regions stocks in canners' hands on November 1, 1939 and 1940:

Region	Stocks 1939	November 1 1940
	Cases	Cases
Northeast.....	1,000,000	718,000
Middle Atlantic.....	4,500,000	5,280,000
Mid-West.....	4,150,000	3,553,000
Tennessee and Kentucky.....	150,000	426,000
Ozark Territory.....	1,000,000	2,223,000
Western.....	750,000	944,000
Southern.....	140,000	156,000
Total (excluding California).....	11,690,000	13,300,000
California.....	a	3,093,000
Total U. S.....	a	16,393,000

a Not available.

### Surplus Foods Designated for December

Fresh oranges, apples, pears, and grapefruit are among the agricultural commodities and products designated as surplus foods for exchange under the food stamp program for blue surplus food order stamps during the month of December, according to announcement this week by the Surplus Market Administration.

The complete list of surplus foods, available in all stamp plan areas, is as follows: butter, raisins, rice, pork lard, fresh and cured pork (not canned), corn meal, shell eggs, dried prunes, hominy (corn) grits, dry edible beans, wheat flour and whole wheat (Graham) flour, onions (except green onions), fresh cabbage, Irish potatoes, fresh oranges, fresh apples, fresh pears, fresh grapefruit.

In addition to these foods, fresh spinach is available in eligible retail food stores participating in the plan in Connecticut, Delaware, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, West Virginia, and the District of Columbia.

### British Ruling Affects Canadian Salmon Sales

Exports of canned salmon, which heretofore had been moving normally to Great Britain, received a setback in mid-October when the British Food Ministry refused to grant further import licenses for chum salmon in quarter-pound tins, according to the American consulate at Vancouver. This is the first year chums have been packed in small quarter-pound tins, and, as a result of the British ruling, canners here now have approximately 75,000 cases of chums in this new packing that they cannot readily sell in Canada or in the few remaining export markets.

Although no permits have yet been issued by the British Ministry of Supply for the importation of canned herring,

British Columbia packers have increased their canning capacity on the strength of orders received from the United Kingdom for approximately 1,500,000 cases. Production was delayed during October by price difficulties with fishermen.

### Army Purchases in Nos. 2 and 2½ Cans Authorized

After consultation with the National Defense Advisory Commission, the Quartermaster General has issued an order, as of November 22, 1940, to all purchasing and contracting offices authorizing purchase of canned foods in Nos. 2 and 2½ size cans, as an alternate to No. 10 usually purchased. Hereafter, bids on these foods will be evaluated on a net poundage basis, thereby eliminating consideration of can size.

The press announcement of this authorization stated: "The issuance of this ruling was recommended by the Consumer Adviser of the Defense Commission. Military supplies are usually purchased in a No. 10 size can. Evidence indicates there is a speculative interest in this size, which has led to an unjustifiable increase in prices.

"Should this condition continue, not only the Army but institutional buyers of food in the large size cans, such as hospitals, schools, restaurants, etc., would face unjustifiable increases in cost of canned goods. The Quartermaster's order should have a tendency to bring about more nearly normal relationships between the prices for the different sizes."

### Dentist's Experience with Consumer Complaints

Canners who are concerned over the spread of claims made by consumers in their products will be interested in a book just published, which is based on the experience of a Boston dentist who has evidently specialized on dental examinations and testimony for defendants in such cases.

Many specific instances of fraudulent or exaggerated claims are cited and special emphasis is laid on the importance of declining to make even "nuisance" settlements of such claims, and of thorough investigation of each claim before considering settlement.

The book is entitled *Food, Teeth and Larceny*. The author is Dr. Charles A. Levinson, and the book is published by Greenburg Publisher, Inc., New York City; price \$3.00.

### National Cherry Week Scheduled February 15-22

National Cherry Week will again be observed from February 15 to 22 next year. Considerable retailer cooperation in the movement of canned cherries during this promotional period already has been assured. Photographic recipes will be used extensively during the month of February in the leading newspapers of the country, as well as in magazines that go to the housewife.

In addition, streamers, recipe leaflets, and menu stickers again will be provided by packers of cherries.

County and State cherry pie-baking contests will be held throughout the country, climaxed by the widely publicized final contest at Chicago.

## NEW HOURS EXEMPTION RULING

### Affects Off-Season Employees in Plants Canning Perishable Fruits and Vegetables

In an interpretation of interest to all canners, the Wage and Hour Division ruled this week that the 14 weeks limited hours exemption under the wage and hour law applies to labeling, casing, warehousing, and shipping activities performed on perishable or seasonal canned foods after the canning season is over. This means that canners of perishable or seasonal fruits and vegetables who have not yet used up all of the 14 weeks of this limited hours exemption, may utilize the unused work weeks during the remainder of this year, and during these weeks work their labeling, warehousing, and shipping crews up to 12 hours per day and 56 hours per week without the payment of overtime.

In previous interpretations, the Wage and Hour Division had indicated its belief that neither the 14 weeks unlimited hours exemption under Section 7(c) nor the additional 14 weeks partial hours exemption under Section 7(b) (3) apply to labeling, warehousing, and shipping activities performed after the canning season is over. Moreover, the Division had ruled that even during the canning season, these exemptions apply only to labeling, warehousing, and shipping activities that are carried on in the same establishment where the cannery employees are working. These views were set forth in a "coverage and exemption chart," published by the Wage and Hour Division, in which the application of these exemptions to various occupations in the citrus canning and processing field were discussed. This chart stated that the two 14-week exemptions apply to labeling, warehousing, and shipping employees only when their work is performed "on the products immediately after they have been placed in containers and in the same establishment where the production employees are working."

The new ruling is in the form of a modification to the citrus canning "coverage and exemption chart." While the ruling is phrased in somewhat ambiguous terms, it seems to mean that the 14-week partial exemption (up to 12 hours per day and 56 hours per week)—not the 14-week unlimited hours exemption—applies to labeling, warehousing, and shipping activities even though they are performed some time after the products are canned. The ruling specifically states, however, that the exemption does not apply to warehousing or shipping employees "working in a warehouse or other establishment not operated exclusively in connection with canning operations."

Even though this ruling was specifically directed to citrus canning, it is equally applicable to the canning of all perishable and seasonal fruits and vegetables. It should be observed, however, that the exemption does not apply to labeling, warehousing, and shipping activities in connection with the handling of non-seasonal products, or in connection with the handling of products that have been recanned.

### Cuba Fresh-Vegetable Prospects Favorable

Vegetable-growing conditions have been excellent so far this year in Cuba, and, barring unfavorable weather, crops are expected to equal those of last winter, according to an article in *Foreign Commerce Weekly* for November 23. Although the acreage in early tomatoes is reported to be under

that of last fall, the early crop is expected to be as large as last year's, with exports up to mid-January reaching 300,000 lugs.

Acreage planted to late tomatoes is about the same as that of last year. Whether exports from the late crop will reach the 1,400,000 lugs shipped from mid-January to April of last season will depend largely upon the winter weather in Cuba and marketing conditions in the United States; increased purchasing power in the latter being regarded as a likely factor in increasing exports of tomatoes as well as other Cuban winter vegetables.

Acreage in peppers, cucumbers, and possibly potatoes is somewhat larger than that of last winter, with prospect of crops not under last year's records and a likelihood that exports will equal those of last winter only in case of crop damage in other regions.

Lima bean acreage is smaller than last winter's, but more favorable growing conditions presage larger crops and exports. Eggplant acreage has not increased, but absence of crop damage, so far, indicates a larger crop and, consequently, larger exports in market conditions are favorable.

### October Total Exports Rise Above Year Ago

A 16 per cent rise during October restored export trade to the average level of the first three quarters of the year after a sharp drop in September, according to Bureau of Foreign and Domestic Commerce statistics. The total value of exports during the month was \$343,000,000, as compared with \$295,000,000 in September and with \$332,000,000 in October, 1939.

### Canadian Apple Shipments to United States

Imports of Canadian apples reached a peak in the week ended October 26 and then dropped off sharply in the following week, the Bureau of Agricultural Economics reported in the November issue of *The Fruit Situation*. This decline is expected to continue. Over 75 per cent of the Canadian shipments to the United States have consisted of Jonathans.

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